

A Guide to Sales and Use Tax

2006



Common Questions



Tax-Exempt Items



Filing and Payment Information



Department of Revenue Resources



Massachusetts Department of Revenue

Dear Taxpayer:

*A major part of our effort to provide a fair and efficient system of tax administration is our commitment to keep taxpayers informed of their responsibilities under the law. The Department of Revenue (DOR) works to fulfill this commitment by producing clear tax forms and instructions as well as informational guides to outline the Commonwealth's various taxes. **A Guide to Sales and Use Tax** is one in this series of publications we offer to help you understand and voluntarily comply with Massachusetts law.*

Sales and use tax is one of several "trustee taxes" administered by DOR. Trustee taxes — which include sales and use, meals, withholding and room occupancy — are so-named because employees and customers are entrusting businesses to collect and to pay these taxes over to the Commonwealth. This guide provides answers to the most frequently asked questions about the sales and use tax. Additionally, lists of taxable and nontaxable items, a filing and payment schedule and sample forms are included for handy reference.

We hope you find this guide helpful in understanding your sales and use tax responsibilities. If you have further questions, please call our Customer Service Bureau at either our local or in-state, toll-free telephone number listed throughout the guide. We will be glad to give you any additional information that you may need.

Sincerely,

A handwritten signature in black ink that reads "Alan LeBovidge". The signature is written in a cursive, flowing style.

*Alan LeBovidge
Commissioner of Revenue*

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This guide contains general information regarding the Massachusetts sales and use tax. It describes the tax, what types of transactions are taxable and what both a buyer and seller must do to comply with the law.

A Guide to Sales and Use Tax is designed to lead you through the basics of sales and use tax by answering many frequently asked questions. Sample forms will show you how to fill out your return. The guide also includes a general listing of those items that are exempt from the Massachusetts sales and use tax.



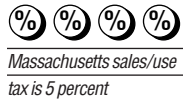
Customer Service Bureau
617-887-MDOR or
Toll-free 1-800-392-6089

This guide is part of an ongoing series of publications that the Massachusetts Department of Revenue (DOR) has issued to inform the public of various aspects of Massachusetts taxes. Please feel free to call DOR if you have any further questions about the sales and use tax or any other aspects of the Commonwealth's tax system.

The Department is pleased to offer businesses access to a number of useful resources via its website at **www.mass.gov/dor**. The website contains information on various tax and employer obligations, and features online vendor registration, electronic filing and payment options, and new hire reporting programs.

What is the sales tax?

The Massachusetts sales tax is 5 percent of the sales price or rental charge of tangible personal property or certain telecommunications services* sold or rented in the Commonwealth. (For a detailed definition of "sales price," please see M.G.L. Ch.64H sec.1.) The sales tax generally is paid to the vendor as an addition to the purchase price. The buyer pays the sales tax to the vendor at the time of purchase; the vendor then remits the tax to the Commonwealth. For motor vehicle and trailer sales, however, the sales tax is paid directly to the Commonwealth by the purchaser. For more detailed information on motor vehicle sales taxes, please call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.



What is the use tax?

The Massachusetts use tax is 5 percent of the sales price or rental charge on tangible personal property (including mail order items or items purchased over the Internet) or certain telecommunications services* on which no sales tax, or a sales tax rate less than the 5 percent Massachusetts rate, was paid and which is to be used, stored or consumed in the Commonwealth. The use tax, unlike the sales tax, generally is paid directly to the Commonwealth by the purchaser.

Example: You purchase furniture for your Massachusetts business or residence from an out-of-state firm and pay no Massachusetts or other state sales tax. You are required to pay the 5 percent Massachusetts use tax. The use tax applies because the furniture was not subject to a sales tax in the other state and because it is for use in the Commonwealth.

* Telecommunications services include telephone and other transmissions of information (such as beeper services, cellular telephone services and telegram services). Cable television and Internet access are exempt from the sales tax. Generally, the tax on the sale or use of telecommunications services is a tax on the transmission of messages or information by various electronic means, but not on the sale or use of information itself. For a list of taxable telecommunications services, please see TIR 05-8, Taxation of Internet Access, Electronic Commerce and Telecommunications Services: Recent Federal Legislation. To obtain a copy, please visit DOR's website at www.mass.gov/dor, or call DOR's Rulings and Regulations Bureau at 617-626-3250.

Who is a sales/use tax vendor?

A sales/use tax vendor is a retailer or any other person who regularly sells, rents or leases tangible personal property or telecommunications services that are subject to the Massachusetts sales tax. A vendor is anyone who:

- Sells, rents or leases in Massachusetts generally;
- Purchases tangible personal property or telecommunications services for resale in Massachusetts;
- Acquires parts to manufacture goods for sale or resale in Massachusetts;
- Has a business location in Massachusetts;
- Has representatives soliciting orders for tangible personal property or telecommunications services within Massachusetts; or
- Sells to Massachusetts residents or businesses and delivers, repairs or installs goods or telecommunications services within the Commonwealth.

Please note: Tax-exempt organizations that sell tangible personal property or telecommunications services in the regular course of business are considered vendors and are required to collect sales/use tax.

What are the responsibilities of a sales/use tax vendor?

Massachusetts sales/use tax vendors are responsible for:

- Registering with DOR to collect sales/use tax;
- Collecting the 5 percent sales/use tax on taxable sales or rentals of tangible personal property or telecommunications services. **Please note:** The tax must be separately stated and separately charged on all invoices, bills, displays or contracts; and
- Remitting all sales/use taxes to DOR with the appropriate Massachusetts sales/use tax return on time. (For a complete listing of forms, please see "Commonly Requested Forms and Publications" on pages 35 through 37.)

Are out-of-state vendors' responsibilities the same as in-state vendors' responsibilities?

Yes. Out-of-state vendors who meet any of the vendor definitions listed on page 7 generally have the same responsibilities as Massachusetts vendors.

How does a vendor register to collect sales/use tax?

Vendors must register to collect Massachusetts sales/use tax online through DOR's **WebFile for Business** application, which is available on the DOR website at www.mass.gov/dor.

After registering with DOR, vendors will be issued a Sales and Use Tax Registration Certificate (Form ST-1) for each business location. Form ST-1 must be displayed in a conspicuous location on the business premises, so that it is easily visible to customers.

As a convenience to customers, those out-of-state retailers and mail order firms that are not required by law to register as Massachusetts vendors may register voluntarily to collect use tax.

Must a cigarette retailer be registered for sales tax?

Yes. A cigarette retailer must be registered for sales tax, as sales of cigarettes are subject to the sales tax. In addition, a cigarette retailer must have a Massachusetts cigarette retailer's license. The Application for Cigarette Retailer's License (Form CT-2E) is available on the DOR website at www.mass.gov/dor, or by calling the Excises Unit at 617-887-5090. A cigarette retailer also should check with its local Board of Health if a local tobacco sales permit is required.

Must an individual or business register to pay sales/use tax on occasional out-of-state purchases?

No. People who are not registered to collect sales/use tax in Massachusetts, and who make an occasional out-of-state purchase for business or personal use, do not need to register. They instead must pay their use taxes by filing either a Business Use Tax Return (Form ST-10) or an Individual Use Tax Return (Form ST-11). For their convenience, individuals may report and pay any Massachusetts use tax due on their personal income tax return, Massachusetts Resident Tax Return (Form 1) or Telefile

(or Form 1-NR/PY for part-year residents). Taxpayers have the option of using a schedule to self-report an estimated, or "safe harbor," amount of use tax based on their Massachusetts adjusted gross income. Purchases of items having a sales price of \$1,000 or more are excluded from the "safe harbor." For more information, please see TIR 04-26, Sales/Use Tax Changes Contained in Chapter 262 of the Acts of 2004, which is available on the DOR website at www.mass.gov/dor, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250.

Generally, anyone who pays a sales or use tax (which is legally due without any right to a refund or credit) to another state on merchandise or telecommunications services to be used in the Commonwealth is entitled to a credit against the Massachusetts use tax — up to the 5 percent Massachusetts sales/use tax rate. This credit is granted for sales tax paid to another state only if that state has a reciprocal agreement with Massachusetts; each state gives credit to purchasers for sales tax paid to the other state. If a sales tax rate of less than 5 percent is paid to the other state, the Massachusetts use tax is the difference between the two states' sales tax rates. If a sales or use tax is paid to a state that does not have a reciprocal agreement with Massachusetts, then the sales/use tax credit does not apply.

Massachusetts has sales tax exemption agreements with most states. Some states, however, have only limited agreements with the Commonwealth. If you need more detailed information about a specific state, see TIR 03-1, Exemption from Massachusetts Use Tax for Taxes Paid Under Laws of Another State, or call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.



Customer Service Bureau
617-887-MDOR or
Toll-free 1-800-392-6089

Example: State X imposes a sales/use tax of 4 percent and has a reciprocal sales/use tax agreement with Massachusetts. You purchase a camera in State X for use in your Massachusetts business. You pay \$1400 plus \$56 tax for the camera. Since State X has a sales tax rate less than the 5 percent Massachusetts rate, you owe a use tax in Massachusetts of \$14 — \$70 (5 percent Massachusetts sales tax obligation) minus \$56 (4 percent State X sales tax payment).

How is the sales/use tax paid on boats or motor vehicles?

The sales tax on boats and recreational vehicles purchased from a Massachusetts dealer is collected by the dealer at the time of sale. For casual sales, the sales/use tax is due prior to registration or by the twentieth day of the following month, whichever occurs earlier. The sales/use tax on boats and other recreational vehicles must be filed and paid electronically via DOR's online ST-6 application, available at www.mass.gov/dor. The confirmation page received after the tax has been filed and paid is required in order to register the boat or recreational vehicle.

The purchaser of a motor vehicle or trailer that is required to be registered or titled in Massachusetts must file Form RMV-1, Application for Title and Registration, and pay the sales/use tax in full with the Registry of Motor Vehicles within 10 days of the date of purchase, transfer or first use of the motor vehicle or trailer. The purchaser of a motor vehicle or trailer that is not required to be registered in Massachusetts, including motor vehicles and trailers that are purchased in Massachusetts by nonresidents who will register or title the motor vehicle or trailer outside of Massachusetts, must file Form ST-7R, Certificate of Payment of Sales or Use Tax, and pay the sales tax in full with DOR or the Registry of Motor Vehicles on or before the twentieth day of the month following the month of purchase, transfer or first use of the motor vehicle or trailer.

What types of sales are exempt from the sales/use tax?



A number of items
are exempt from the
sales/use tax

Massachusetts law exempts a number of items from the sales/use tax. The following categories of sales or types of transactions generally are exempted from the sales/use tax. For information on the status of individual items, please refer to "What Specific Items Are Exempt from the Sales/Use Tax?" starting on page 16. If you have questions about whether certain items fit into these exempt categories, please call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.

Sales of food and clothing:

Sales of food for human consumption, other than meals sold by a restaurant, generally are tax-exempt. Sales of individual items of clothing costing \$175 or less also generally are exempt. (Sales tax is due only on the amount over \$175 per item.)

Sales of periodicals:

Periodicals such as newspapers and magazines generally are exempt. Newsletters, however, generally are not treated as newspapers and may be taxable.

Admission sales:

Sales of tickets to such activities as sporting and amusement events are exempt.

Sales of utilities and heating fuel to residential users, small businesses and certain industrial users:

Sales of gas, steam, electricity or heating fuel for residential purposes are exempt. Residential use includes use in any dwelling where people customarily reside on a long-term basis, whether or not the occupants of the dwelling are the purchasers of the fuel. Thus, residential use includes use in apartment buildings, rooming houses and nursing homes as well as use in single family or multifamily homes, but generally does not include use in hotels.

Sales of utilities and heating fuel also are exempt when sold to businesses with five or fewer employees or to manufacturing facilities that use at least

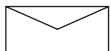
75 percent of their energy in manufacturing or heating the manufacturing facility. Businesses with multiple locations employing fewer than five people at any one location must use the total number of employees from all locations. Small businesses must present a Small Business Energy Exemption Certificate (Form ST-13) to the vendor to claim the exemption. Eligible industrial users must provide an Exempt Use Certificate (Form ST-12). Residential users are not required to present exemption certificates.

Sales of telephone services to residential users:

Sales of local residential telephone services billed on a recurring basis or for message unit charges are tax-exempt when provided to a residential purchaser, up to a total of \$30 per month. Residential telephone service generally includes service provided to an individual for personal use at his or her residential address, including an individual dwelling unit such as an apartment. In the case of institutions where individuals reside, such as schools or nursing homes, telephone service is considered residential if it is provided to and paid for by an individual resident rather than by the institution. Telephone service provided to a business is not residential service even if the business is located in an individual's home. If an otherwise residential telephone is used for business purposes, the business must file a Business Use Tax Return (Form ST-10) and pay tax on the service that is used. Residential users are not required to present exemption certificates.

Charges for personal or professional services:

Accounting, insurance, legal and medical services, as well as services such as haircuts and car repairs are not taxable. **Please note:** Items sold in addition to services, such as a bottle of shampoo from a salon or parts for a car repair, are taxable and must be itemized separately on the bill. Massachusetts tax law treats some products as services and therefore exempts them from the sales tax. Other products, however, may combine taxable and nontaxable elements. Still other products, although labeled custom or a service, may not meet the legal definition for tax purposes. Service providers who have questions about the taxability of their transactions should contact DOR's Rulings and Regulations Bureau for clear guidance on this issue by writing to: Department of Revenue, Rulings and Regulations Bureau, PO Box 9566, Boston, MA 02114-9566.



Department of Revenue
Rulings and Regulations
Bureau, PO Box 9566
Boston, MA 02114-9566

Sales of transportation:

These services generally are not taxed. For example, a separately stated transportation charge for shipping by a common carrier is exempt if the transportation occurs after the sale of the property. For more information about shipping and handling charges, see DOR Directive 04-5, Sales Tax on Transportation Charges. To obtain a copy, visit the DOR website at www.mass.gov/dor, or call DOR's Rulings and Regulations Bureau at 617-626-3250.

Casual and isolated sales:

Infrequent and nonrecurring transactions made by people or businesses not regularly engaged in the business of making such sales are exempt. For example, sales of used appliances by a homeowner or sales at an infrequent yard sale are exempt. **Please note:** Generally, casual sales of cars, boats or trailers are taxable, except for certain family transactions. For more detailed information on casual and isolated sales, see DOR Regulation 830 CMR 64H.6.1. To obtain a copy, visit the DOR website at www.mass.gov/dor, or call DOR's Rulings and Regulations Bureau at 617-626-3250.

Resales:

Sales where the purchaser intends to resell the item or telecommunications services in the regular course of business are exempt. In these cases, a Sales Tax Resale Certificate (Form ST-4) must be given to and retained by the seller as proof the sale was exempt for the reasons stated on the certificate. Vendor's can confirm the validity of their customers' sales and use tax registration and resale certificates online through DOR's Sales Tax Resale Certificate Verification System, available on the DOR website at www.mass.gov/dor under "Business Information."

Sales for out-of-state delivery:

Sales where the purchaser accepts title to and possession of an item outside Massachusetts generally are exempt. Similarly, if a vendor is obligated to deliver to an out-of-state purchaser's address or to an interstate common carrier for such a delivery, the sale is not taxable in Massachusetts. Generally, however, any taxable item brought into the state within

six months of purchase for use, storage or consumption in Massachusetts is subject to the use tax.

Drop shipments:

Massachusetts sales and use tax law generally requires a business with nexus in Massachusetts to collect tax when it ships goods to a consumer in Massachusetts on behalf of a retailer that is not required to collect the tax because it does not have nexus with Massachusetts.

For a detailed explanation of the rules regarding how the tax applies to drop shipment transactions, see TIR 04-26, *Sales/Use Tax Changes Contained in Chapter 262 of the Acts of 2004*, which is available on the DOR website at www.mass.gov/dor, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250.

Sales to exempt organizations:

Sales to organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code (such as charitable and nonprofit organizations), as well as sales to agents of Section 501(c)(3) organizations, generally are exempt. To obtain the exemption, the purchaser, or its agent, must provide the vendor with a signed copy of a Sales Tax Exempt Purchaser Certificate (Form ST-5) or Contractor's Sales Tax Exempt Purchase Certificate (Form ST-5C) and a copy of the organization's Certificate of Exemption (Form ST-2) issued by DOR. The vendor must ensure that this form is complete and retain it to prove the sale was exempt. Otherwise, the sales tax may be assessed against the vendor.

Sales to government agencies:

Sales made directly to federal and Massachusetts state or municipal government agencies or entities are exempt. To qualify, the agency must be a regular department of government or an entity wholly owned by the government that performs governmental duties on an exclusive basis. Additionally, sales of tangible personal property, including meals, to agents of governmental entities, are exempt, provided certain requirements are met. See TIR 99-4, *Sales and Use Tax Exemptions: Agents of Exempt Entities*, available on DOR's website at www.mass.gov/dor, or by calling the Rulings and Regulations Bureau at 617-626-3250, and Regu-

lation 830 CMR 64H.6.5, *Sales Tax on Meals*, for rules for substantiating exempt purchases.

Sales to certain contractors and subcontractors:

Sales of tangible personal property for use in fulfilling government public works projects to certain contractors and subcontractors acting as agents for governmental entities are exempt. To claim the exemption, the contractor or subcontractor must provide the vendor with a signed copy of a Contractor's Sales Tax Exempt Purchase Certificate (Form ST-5C), and a copy of the government agency's Certificate of Exemption (Form ST-2) issued by DOR. Contractors and subcontractors must indicate on the face of Form ST-5C that they are claiming the exemption for property used to fulfill a contract to provide qualified services in a public project.

Sales to manufacturers:

Sales of materials, tools, fuel, machinery and replacement parts that will be used directly and exclusively in the actual manufacture, processing or conversion of tangible personal property to be sold, including the publishing of a newspaper or the operation of commercial radio broadcasting or television transmission, are exempt in many cases. In addition, sales of materials, tools, fuel, machinery and replacement parts that are consumed and used directly and exclusively in research and development by a manufacturing corporation or a research and development corporation generally are exempt. (For information regarding the qualifications of a research and development corporation, see TIR 04-15, *Amendments to Massachusetts Corporate Excise Governing Domestic and Foreign Manufacturing Corporations and Research and Development Corporations*, which is available on the DOR website at www.mass.gov/dor, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250.) The vendor must receive from the purchaser an Exempt Use Certificate (Form ST-12) and maintain proper records on such sales.

Please note: Because of the complexity of the law, some guidelines listed here may not apply to every transaction. To avoid any interest or penalty charges on tax that was not collected properly, taxpayers with questions about the taxability of any sale should call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at

1-800-392-6089 or request a letter ruling by writing to: Department of Revenue, Rulings and Regulations Bureau, PO Box 9566, Boston, MA 02114-9566.

What specific items are exempt from the sales/use tax?

Pages 17 through 25 detail the tax status of a number of specific items in the following categories: apparel and fabric goods; food and meals; health care items; home and household items; and reading materials and stationery.



Customer Service Bureau
617-887-MDOR or
1-800-392-6089

These lists are intended to address only the most frequently asked sales/use tax questions. For more information on the tax status of an item not specifically mentioned, please call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.



Clothing generally is
exempt from the sales tax

Clothing generally is exempt from the sales tax. However, any individual clothing item costing more than \$175 is taxable on the amount over the basic exemption. Thus, the tax on a \$200 suit would be \$1.25 — 5 percent of the \$25 taxable amount. If a number of items are being purchased, any applicable sales tax is charged only on individual items over \$175, no matter what the total bill.

While apparel designed solely for athletic or protective use is taxable, items that are also suitable for everyday use are exempt.

Materials that become part of articles of clothing, such as name tags sewn to a garment, are generally tax-exempt. Jewelry and accessories generally are taxable.

Following is the specific item list:

Exempt

Aprons: household, shop
Bathing suits
Belts, buckles, suspenders
Children's novelty costumes
Choir, clerical vestments
Cloth: synthetic or natural fiber
Costumes
Footwear:
Boat shoes
Innersoles
Jogging shoes
Overshoes
Sandals
Shoelaces
Shoes and boots
Slippers
Sneakers and tennis shoes
Gloves: dress, casual, gardening

Taxable

Bathing and shower caps
Briefcases
Clothing primarily designed to protect from physical injury (see DOR Directive 99-3)
Equipment, special clothing for jockeys
Footwear:
Bowling shoes
Cleated athletic shoes
Football shoes
Golf shoes
Riding boots
Shoe bags, trees
Shoe polish, brushes
Ski boots
Waders
Hair notions (barrettes, combs and brushes, etc.)

Exempt (continued)

Gym uniforms
Hats, caps, earmuffs
Hosiery, socks, garters and garter belts
Jackets, windbreakers
Jogging bras
Leotards, tights
Neckwear, ties, scarves
Rainwear
Sewing goods:
Buttons
Elastic binders, tapes
Fabric and materials for clothing
Thread
Yarn (other than rug)
Yarn goods
Zippers
Ski pants
Tennis clothing
Uniforms: band, camping, fire, nurse, police, waiter/waitress
Work clothes

Taxable (continued)

Handkerchiefs
Handbags, purses
Luggage
Protective helmets
Sewing supplies:
Dress forms, patterns, embroidery hoops
Knitting bags
Needles, pins, thimbles
Needlework instruction books
Rug yarn
Scissors
Sewing kits
Skein and yarn holders
Tape measures
Uniforms: athletic (baseball, football, etc.)
Wallets

In general, food products for human consumption are exempt from sales tax. Food items purchased with federal food stamps are also exempt from the sales tax. Questions sometimes arise as to whether an item is considered to be an exempt food; below is a list of commonly questioned items:

Exempt

Breath-freshening candies
Dietetic candies
Edible oils
Food oils
Food substitutes
Gum
Salt and sugar substitutes
Nonmedicated cough drops

Taxable

Antacids
Dietary supplements
Vitamins and food supplements
Weight-loss aids and preparations



Food sold on a "take out" basis is taxable

Food or beverages prepared for human consumption and provided by a restaurant or restaurant part of a store are taxable as "meals." Such food or beverages sold on a "take out" or "to go" basis are also taxable. However, bakery products sold in units of six or more for take out and snacks or candy sold through a vending machine or "honor snack tray" for less than \$3.50 are exempt.

The following operations, whether they stand alone or are part of another business activity, are considered restaurants and are required to collect the sales tax on meals:

Cafes
Canteen trucks or wagons
Catering businesses
Cocktail lounges and bars
Coffee shops
Diners
Dining rooms
Hotel and motel dining rooms
Ice cream trucks and other food stands
Lunch counters
Private or social clubs

Snack bars (including theatre snack bars) and salad bars

Street wagons or carts

Taverns

Vending machines or "honor snack trays" that sell snacks or candy with a sales price of \$3.50 or more. Honor snack trays consist of any vending arrangements in which snacks or candy are available in an open tray for employees in an establishment that normally does not sell food and for which payment is made on the honor system.

For more detailed information about the sales tax on meals, please see DOR Regulation 830 CMR 64H.6.5, Sales Tax on Meals.

A Guide to Sales Tax on Meals also contains information about the sales tax on meals and is available via the DOR website at www.mass.gov/dor. Copies also may be obtained by calling DOR's main information lines at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089, or through DOR's Fax on Demand system by calling 617-887-1900, using the keypad and the handset on your fax machine, and entering code number 3012.



See "A Guide to Sales
Tax on Meals"

The tax status of health care items and equipment generally is determined by explicit statutory reference. A guide to this area is provided below:

Exempt

Abdominal belts
Baby oil
Baby pants
Braces, supports and corrective devices fit to the patient
Colostomy and Ileostomy bags, pouches and solutions
Crutches, crutch cushions and tips
Diapers
Diaper linings
Hearing aid batteries
Hearing aids worn on the body
Eyeglasses (prescription only)
Incontinence pants
Over-the-counter medications sold on prescription
Oxygen, blood and blood plasma
Prescription drugs
Prostheses
Sanitary napkins and belts
Syringes and needles (with insulin prescription)
Tampons
Wheelchairs

Taxable

Adhesive tape
Alcohol
Antacids
Athletic supporters
Baby lotions and powders
Bandages and bandage scissors
Bed pans
Bedwetting alarm devices
Blood diagnostic products
Breast pumps
Condoms
Cosmetics
Cotton balls
Cotton swabs
Deodorants, antiperspirants
Finger cots
Hairnets
Heating pads
Hot water bottles
Ice bags
Invalid cushions and rings
Lamps: heat and sun
Nonprescription medicine
Over-the-counter medications not sold on prescription
Powders, deodorant, douches
Pregnancy test systems
Prosthesis powder and shampoo

Taxable *(continued)*

Respirators
Supports: ankle and wrist
Suspensories
Syringes (except with insulin
prescription)
Thermometers
Urinals
Vaporizers
Vitamins
Weight-loss aids and preparations

Rentals, sales and repairs of the following are exempt only when prescribed by a registered physician:

*Alternating pressure pad units
Canes, tripod canes
Enteral, parenteral feeding devices worn on the body
Hospital beds for home use
Incubators
Kidney dialysis machines (see DOR Letter Ruling 02-6)
Life sustaining resuscitators
Oxygen concentrators, masks, humidifiers, etc.
Pacemakers
Patient lifts
Suction machines
Ultrasonic nebulizers*

Household items generally are taxable. Seeds used to grow food for human consumption are exempt. Here is a listing of the tax status of specific items:

Exempt

*Commercial gun safes and trigger
lock devices
Fertilizer, fungicides and
insecticides
Flags: U.S. only
Fuels:
Charcoal
Combustible fireplace logs
Firewood, kindling
Lighter fluid for grills
Propane gas for grills
Gas, steam, electricity and heating
fuel
Infant supplies:
Baby buntings
Bibs
Diapers: cloth and disposable
Linings
Receiving blankets
Rubber pants
Plants and seeds that produce
food for human consumption
Telecommunications services
(up to \$30 per month for
residential use)*

Taxable

*Appliances
Building materials
Fencing
Furniture and draperies
Hardware
Hobby supplies
Hoses and sprinklers
Infant supplies:
Baby harnesses
Carriages, strollers
Car seats, restraints
Changing tables
Cribs and crib blankets
Diaper bags
Nursing bottles, nipples
Teething items
Wipes
Lawn furniture
Lawnmowers, spreaders, sweepers
Paint and painting supplies
Peat moss
Plants and seeds that do not
produce food for human
consumption
Potting soil, grass, shrubs
Shovels and rakes
Snowblowers
Tools
Umbrellas*



File Schedule EC for solar
and wind energy
credit

Equipment directly related to solar, wind-powered or heat-pump systems is exempt if the system is used as a primary or auxiliary power system for heating or supplying the energy needs of a taxpayer's principal residence in Massachusetts. Structural components, such as glass windows, are taxable unless they meet DOR's definition of custom-made.

Please note: Massachusetts also allows owners or tenants of residential property located in the Commonwealth a credit against their personal income tax for expenses related to renewable energy source property. To take the credit, taxpayers must complete and file Massachusetts Schedule EC, Solar and Wind Energy Credit, with their annual income tax returns.

Reading Materials and Stationery



Greeting cards are
taxable

Generally, reading materials and stationery are taxed. Exemptions are allowed by statute for newspapers, magazines, books used for religious worship and educational textbooks. Following is a list of specific items:

Exempt

Bibles, Korans, etc.
Books required by educational
institutions for instruction
Magazines, newspapers and comic
books
Prayer books and missals

Taxable

Books and paperbacks
Dictionaries and encyclopedias
Greeting cards
School supplies
Stationery and paper goods

What is the schedule for filing and paying sales/use tax?

Different schedules must be followed for filing and paying sales/use tax depending on the amount of tax vendors expect to collect from their customers in a year. The following chart lists the filing and payment requirements.

Annual sales/ use tax collected	Return filing requirement	Payment due
\$100 or less	Annually due 20 days after the end of the filing period — i.e., Jan. 20. WebFile for Business or Form ST-9A	Payment due with return.
From \$101 up to \$1,200	Quarterly due 20 days after end of the filing period — i.e., April 20, July 20, October 20 and January 20. WebFile for Business or Form ST-9Q (for goods) Form STS-Q (for services)	Payment due with return.
\$1,201 or more	Monthly due 20 days after end of the filing period — i.e., February 20 for January filing period. WebFile for Business or Form ST-9 (for goods) Form STS-M (for services)	Payment due with return.

Businesses with a combined annual withholding, sales/use tax (including sales tax on meals and telecommunications services) and room occupancy excise liabilities of \$10,000 or more are required to file returns and make payments electronically. Once the tax liability reaches the electronic filing threshold in one year, the business must file electronically in all subsequent years, regardless of the amount due, as long as it has an obligation to file one of these three categories of taxes in Massachusetts. Businesses

that register on or after September 1, 2003, must file returns and make payments electronically, regardless of the amount of their annual tax liability. Also, all zero tax due returns are required to be filed electronically, regardless of the amount of the annual tax liability.

An electronically filed return or report is deemed timely filed if electronically submitted on or before the due date, before midnight Eastern time, with all required information accurately entered. Upon submission, the filing entity will receive a confirmation number and time-and-date stamp, which constitute the substantiating date mark providing proof of time and filing date.

In order to be considered timely filed, a paper return must be received by DOR on or before the due date, or if delivered after the due date, it must be postmarked by the U.S. Postal Service or date-stamped by a private delivery service at least two days prior to the due date.

Businesses and individuals incurring use tax liabilities who are not registered vendors may file Form ST-10 (Business Use Tax Return) or Form ST-11 (Individual Use Tax Return). Both returns are due annually by April 15. Alternatively, individuals may report and pay any Massachusetts use tax due on their personal income tax return, Massachusetts Resident Tax Return (Form 1) or Telefile (or Form 1-NR/PY for part-year residents). Taxpayers have the option of using a schedule to self-report an estimated, or "safe harbor," amount of use tax based on their Massachusetts adjusted gross income. Purchases of items having a sales price of \$1,000 or more are excluded from the "safe harbor." For more information, please see TIR 04-26, Sales/Use Tax Changes Contained in Chapter 262 of the Acts of 2004, which is available on the DOR website at www.mass.gov/dor, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250.

How do I submit returns and payments electronically?

Trustee and business tax taxpayers may file returns and make payments electronically through DOR's secure Web-based application, **WebFile for Business**, which is available on the DOR website at www.mass.gov/dor.

In addition vendors with payroll obligations may use **WebFile for Business** to file and pay all state withholding taxes, unemployment insurance

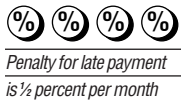
contributions, and unemployment health insurance contributions due to DOR and the Massachusetts Division of Unemployment Assistance. Employers can use the program to file wage reports with DOR as well.

Vendors and employers must register with DOR in order to use **WebFile for Business**. Instructions for registering to use the application are provided on the DOR website.

For more information on electronic filing, see TIR 04-30, Revised Electronic Filing Requirements, available on the DOR website at www.mass.gov/dor.

What are the penalty and interest charges for late returns and payments?

Sales/use tax returns that are not filed on or before the due date are subject to interest and penalty charges.



The penalty for late payment is 1/2 of one percent of the unpaid tax shown on the return per month (or fraction thereof), up to a maximum of 25 percent.

The penalty for failure to file a return by the due date is one percent of the balance due per month (or fraction thereof), up to a maximum of 25 percent.

Also, if you fail to pay the tax when due, interest will be charged at the federal short-term rate (which can change quarterly) plus four percentage points, compounded daily. If you wish to obtain information on these rates, please call DOR's Customer Service Bureau at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.

Are there other penalties?

Yes. It is unlawful for a vendor to advertise or state to the public or any customer, directly or indirectly, that the sales tax, or any part of it, will be assumed or absorbed by the vendor, or that it will not be added to the selling price or that it will be refunded in whole or in part. This fine may not exceed \$100.

Willful evasion of taxes is a felony punishable by a fine up to \$100,000 for individuals or \$500,000 for corporations and/or imprisonment for up to five years. Willful failure to collect and pay over taxes is also a felony and is punishable by a fine up to \$10,000 and/or imprisonment for up to five years.

Effective January 1, 2005, taxpayers who do not comply with the requirements to file returns, make payments or submit data to DOR in an electronic format will be subject to a penalty of up to \$100 for each return, payment or data transfer submitted incorrectly to DOR. Please refer to TIR 04-12, Penalty for Failure to File, Report or Pay in the Prescribed Format, and TIR 04-30, Revised Electronic Filing Requirements, for more information.

Must a return be filed even if no tax was due for a given period?

Yes. A return must be filed for all periods even when no tax is due — just enter zero in the appropriate places. Filing each period is necessary for DOR's record keeping purposes. It also will help to avoid requests from the Department for filing information. Effective July 1, 2003, zero tax due returns must be filed electronically. For more information, please see TIR 04-30, Revised Electronic Filing Requirements, available on the DOR website at www.mass.gov/dor.

How can sales/use tax reporting errors be corrected?

An Application for Abatement/Amended Return (Form CA-6) must be filed in order to report any decrease in tax; report any increase in tax (full payment should be made with the filing of the amended return); dispute a tax assessment; or request a waiver of penalties due to reasonable cause.

WebFile for Business participants must use the "amend" feature of their WebFile for Business account to file abatement applications for withholding, sales and use tax (including sales tax on meals) and room occupancy taxes.

For additional information, please refer to DOR's online Guide to Taxes, available at www.mass.gov/dor. This guide is designed to help taxpayers understand how to request an abatement of tax paid to DOR, or to notify DOR of an additional tax due.

What records must sales/use tax vendors keep?

Vendors registered to collect sales/use tax must keep complete and accurate records of the gross receipts from all sales, whether taxable or not. Vendors also must retain copies of sales/use tax returns together with any supporting information necessary to verify the accuracy of the



Records must be kept
for all sales

How long should sales/use tax records be kept?

return. Sufficient records provide the vendor with evidence of each transaction and may include, but are not limited to, register tapes, cash journals, memorandum accounts and ledgers. Vendors must retain copies of exempt certificates and credit memos issued to purchasers.

Records must be retained for a minimum of three years from the date the return was filed or the date it was required to be filed, whichever is later. Additionally, returns may be audited for up to six years for understating by more than 25 percent the tax due on receipts that should have been reported on the return. You also should know that there is no limitation on the period for which DOR may request records if a vendor failed to file a return or filed a false or fraudulent return. Further information about retaining records is available in DOR Regulation 830 CMR 62C.25.1, Records Retention.

How are bad debts treated?

Vendors must pay tax on all sales regardless of whether payment is received at the time of sale. Reimbursement for tax remitted on bad debts can be claimed only on an annual basis on a Claim for Bad Debt Reimbursement (Form ST-BDR). This form must be filed by the due date, including extensions, of the vendor's federal income tax return for accounts determined to be worthless during the prior fiscal year. For more information and requirements, please see Technical Information Release 00-3, Claiming the Bad Debt Reimbursement. To obtain a copy, please visit the DOR website at www.mass.gov/dor, or call DOR's Rulings and Regulations Bureau at 617-626-3250.

Form examples:

Example: Edward has a part-time business making guitars in Connecticut. Since Edward sometimes sells and delivers those guitars to Massachusetts residents, he registered to collect Massachusetts sales tax. As his annual Massachusetts sales tax collections are less than \$100, Edward files an Annual Sales and Use Tax Return (Form ST-9A) to make his sales tax payments.

If Edward has sales of \$1,855 during the year, his completed Form ST-9A will look like this:

ST-9A MASSACHUSETTS DEPARTMENT OF REVENUE ANNUAL SALES AND USE TAX RETURN YOU SHOULD FILE THIS FORM EVEN THOUGH NO TAX MAY BE DUE.			
FEDERAL IDENTIFICATION NUMBER 123-456-789*01*	BE SURE THIS VOUCHER COVERS THE CORRECT PERIOD	FOR YEAR 2005	1. GROSS SALES 1,855
IF ANY INFORMATION IS INCORRECT, SEE INSTRUCTIONS. <input type="checkbox"/> Check here if this is a final return.			2. SALES FOR RESALE/ EXEMPT SALES OR OTHER ADJUSTMENTS
			2A. SALES OF MATERIALS, TOOLS AND FUEL
			2B. SALES OF MACHINERY AND REPLACEMENT PARTS
			3. TOTAL NONTAXABLE SALES (ADD LINES 2, 2A AND 2B)
			4. TAXABLE SALES (SUBTRACT LINE 3 FROM LINE 1; ZERO IF NEGATIVE)
			5. USE TAX PURCHASES
			6. TOTAL TAXABLE AMOUNT (ADD LINE 4 AND LINE 5)
			7. TOTAL TAXES (LINE 6 x .05)
			8. PENALTIES AND INTEREST
			9. TOTAL AMOUNT DUE (ADD LINE 7 AND LINE 8)
<small>Return is due with payment on or before the 20th day of January following the year indicated above. Make check payable to Commonwealth of Mass. Mail to: Mass. Dept. of Revenue, P.O. Box 7043, Boston, MA 02204.</small> <small>I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.</small> Signature Edward Taxpayer Title Owner Date 1/5/06			

IMPORTANT: READ INSTRUCTIONS BEFORE COMPLETING RETURN

New owners: Do not use previous owner's form to file your return. Any change in ownership or organization requires a new registration. You must file a new Form TA-1.

Note: Lines 2A and 2B are for the sales of items becoming part of property sold or used directly in industrial or certain other production. These items are not to be used for income deductions.

Example: Carol, who owns an antique store in Southborough, MA is registered to collect sales/use tax in Massachusetts. Since her annual sales tax collections are less than \$10,000, Carol files Monthly Sales and Use Tax Returns (Form ST-9) to make her sales tax payments.

In February, Carol sells \$16,000 of antiques to her customers. Three thousand dollars of Carol's sales are for resale. Her completed ST-9 for the month will look like this:

ST-9 SM		MASSACHUSETTS DEPARTMENT OF REVENUE MONTHLY SALES AND USE TAX RETURN <small>YOU SHOULD FILE THIS FORM EVEN THOUGH NO TAX MAY BE DUE.</small>			
FEDERAL IDENTIFICATION NUMBER 123-456-789*01*		BE SURE THIS RETURN COVERS THE CORRECT PERIOD	FOR MONTH 2/06	1. GROSS SALES	16,000
IF ANY INFOR- MATION IS INCORRECT, SEE INSTRUC- TIONS.	Carol Taxpayer Southborough, MA <input type="checkbox"/> Check here if this is a final return.			2. SALES FOR RESALE/ EXEMPT SALES OR OTHER ADJUSTMENTS	3,000
				2A. SALES OF MATERIALS, TOOLS AND FUEL	
				2B. SALES OF MACHINERY AND REPLACEMENT PARTS	
				3. TOTAL NONTAXABLE SALES (ADD LINES 2, 2A AND 2B)	3,000
				4. TAXABLE SALES (SUBTRACT LINE 3 FROM LINE 1; ZERO IF NEGATIVE)	13,000
				5. USE TAX PURCHASES	0
				6. TOTAL TAXABLE AMOUNT (ADD LINE 4 AND LINE 5)	13,000
				7. TOTAL TAXES (LINE 6 * .05)	650
				8. PENALTIES AND INTEREST	0
			9. TOTAL AMOUNT DUE (ADD LINE 7 AND LINE 8)	650	
<small>Return is due with payment on or before the 20th day of the month following the month indicated above. Make check payable to Commonwealth of Mass. Mail to: Mass. Dept. of Revenue, P.O. Box 7039, Boston, MA 02264-7039. I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. Signature Carol Taxpayer Title Owner Date 3/2/06</small>					

New owners: Do not use previous owner's form to file your return. Any change in ownership or organization requires a new registration. You must file a new Form TA-1.

Note: Lines 2A and 2B are for the sales of items becoming part of property sold or used directly in industrial or certain other production. These items are not to be used for income deductions.

Example: In March, Carol purchases five display units in New Hampshire for use in her business. The total cost of the units is \$500. No sales tax is paid on the goods. Since the display units were purchased out-of-state for use in the Commonwealth and because no sales tax was paid, Carol is responsible for paying the 5 percent use tax to the Commonwealth. Since Carol is a registered Massachusetts sales/use tax vendor, she will make her use tax payment on her next monthly Form ST-9.

Carol has gross sales of \$17,000 in March, including \$2,000 in sales for resale. Her return, including the use tax payment, will look like this:

ST-9 SM		MASSACHUSETTS DEPARTMENT OF REVENUE MONTHLY SALES AND USE TAX RETURN <small>YOU SHOULD FILE THIS FORM EVEN THOUGH NO TAX MAY BE DUE.</small>			
FEDERAL IDENTIFICATION NUMBER 123-456-789*01*		BE SURE THIS RETURN COVERS THE CORRECT PERIOD	FOR MONTH 3/06	1. GROSS SALES	17,000
IF ANY INFOR- MATION IS INCORRECT, SEE INSTRUC- TIONS.	Carol Taxpayer Southborough, MA <input type="checkbox"/> Check here if this is a final return.			2. SALES FOR RESALE/ EXEMPT SALES OR OTHER ADJUSTMENTS	2,000
				2A. SALES OF MATERIALS, TOOLS AND FUEL	
				2B. SALES OF MACHINERY AND REPLACEMENT PARTS	
				3. TOTAL NONTAXABLE SALES (ADD LINES 2, 2A AND 2B)	2,000
				4. TAXABLE SALES (SUBTRACT LINE 3 FROM LINE 1; ZERO IF NEGATIVE)	15,000
				5. USE TAX PURCHASES	500
				6. TOTAL TAXABLE AMOUNT (ADD LINE 4 AND LINE 5)	15,500
				7. TOTAL TAXES (LINE 6 * .05)	775
				8. PENALTIES AND INTEREST	0
			9. TOTAL AMOUNT DUE (ADD LINE 7 AND LINE 8)	775	
<small>Return is due with payment on or before the 20th day of the month following the month indicated above. Make check payable to Commonwealth of Mass. Mail to: Mass. Dept. of Revenue, P.O. Box 7039, Boston, MA 02264-7039. I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. Signature Carol Taxpayer Title Owner Date 4/3/06</small>					

New owners: Do not use previous owner's form to file your return. Any change in ownership or organization requires a new registration. You must file a new Form TA-1.

Note: Lines 2A and 2B are for the sales of items becoming part of property sold or used directly in industrial or certain other production. These items are not to be used for income deductions.

What kind of help is available?

The instructions in the Department of Revenue's tax forms should provide answers to most taxpayer questions. For further information on Massachusetts sales and use tax law, please contact:

Department of Revenue, Customer Service Bureau
PO Box 7010

Boston, MA 02204

617-887-MDOR or toll-free in Massachusetts 1-800-392-6089

DOR also issues a number of useful publications on various state tax issues. These publications include: tax-specific guides written in question and answer format such as **A Guide to the Department of Revenue: Your Taxpayer Bill of Rights**; and public written statements, such as Regulations, Technical Information Releases, Directives and Letter Rulings, that explain the Commonwealth's tax laws in detail. DOR also offers Small Business Workshops designed to help all new or small businesses understand their filing requirements. Please call 617-887-5660 for more information.

Where to get forms and publications



Many Massachusetts tax forms and publications also are available via the Department's website at www.mass.gov/dor.



To obtain Massachusetts forms and publications by phone, call the Department's main information lines at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089.



Certain forms and publications can be obtained through DOR's Fax on Demand system. A list of commonly requested forms and publications and their fax codes appears on pages 35 through 37. For a complete Fax on Demand menu, please call 617-887-1900 using the handset and the keypad of your fax machine.



DOR's Fax on Demand

617-887-1900

+ fax code number

DOR offers a number of publications on various state tax issues. Most are available by visiting the DOR website at www.mass.gov/dor, or by calling DOR's main information lines at 617-887-MDOR or toll-free in Massachusetts at 1-800-392-6089. Many of the documents below also are available through DOR's Fax on Demand system. Please call 617-887-1900 using the handset and the keypad of your fax machine for a complete menu, or use the code number following the document title below. Only forms followed by a fax code number may be obtained through Fax on Demand.

Form Number	Title/Fax Code Number
CA-6	Application for Abatement/Amended Return/326
ST-1	Sales and Use Tax Registration Certificate
ST-2	Certificate of Exemption
ST-3	5% Sales Tax Schedule/403
ST-4	Sales Tax Resale Certificate
ST-5	Sales Tax Exempt Purchaser Certificate/404
ST-5C	Contractor's Sales Tax Exempt Purchase Certificate/405
ST-7R	Motor Vehicle Certificate of Payment of Sales or Use Tax/407
ST-8	Sales Tax Exempt Certificate for Books Used for Instructional Purposes
ST-9	Monthly Sales and Use Tax Return
ST-9A	Annual Sales and Use Tax Return
ST-9Q	Quarterly Sales and Use Tax Return
ST-10	Business Use Tax Return/370
ST-11	Individual Use Tax Return/371
ST-12	Exempt Use Certificate/412
ST-12B	Sales Tax Exempt Certificate for Sales of Certain Medical Equipment/422
ST-12EC	Exempt Container Certificate/395

Form Number	Title/Fax Code Number
ST-13	<i>Small Business Energy Exemption Certificate/413</i>
ST-BDR	<i>Claim for Bad Debt Reimbursement/378</i>
ST-BDR-MEALS	<i>Claim for Bad Debt Reimbursement/379</i>
MT-1	<i>Meals and All Beverages Sales Tax Registration</i>
ST-MAB-4	<i>Sales Tax on Meals, Prepared Food and All Beverages Return</i>
STS-Q	<i>Quarterly Sales/Use Tax on Services Return</i>
STS	<i>Monthly Sales/Use Tax on Services Return</i>

Regulation Number	Title/Fax Code Number
830 CMR 62C.25.1	<i>Records Retention/2604</i>
830 CMR 64H.6.5	<i>Sales Tax on Meals/2605</i>



DOR's Fax on Demand
617-887-1900
+ fax code number

Publication Title/Fax Code Number
<i>A Guide to the Department of Revenue: Your Taxpayer Bill of Rights/3005</i>
<i>A Guide to Withholding of Taxes on Wages/3007</i>
<i>Should You Be Paying Individual Estimated Taxes?/3008</i>
<i>A Guide to Sales and Use Tax/3009</i>
<i>A Guide to Sales Tax on Meals/3012</i>
<i>A Guide to Estate Taxes (Applicable to dates of death prior to January 1, 1997)/3011</i>
<i>A Guide to Estate Taxes (Applicable to dates of death on or after January 1, 1997 and prior to January 1, 2003)/3013</i>
<i>A Guide to Estate Taxes (Applicable to dates of death on or after January 1, 2003)/3014</i>
<i>DOR Regulations, Technical Information Releases, Directives and Letter Rulings</i> are prepared on general tax issues as well as specific taxpayer inquiries and are available on the DOR website and Fax on Demand system, or by calling DOR's Rulings and Regulations Bureau at 617-626-3250. Copies also are published in the MASSTAX Guide .
MASSTAX Guide contains five volumes covering all state taxes and DOR administrative procedures; it is available for purchase through Thomson West (1-800-328-9352) or for reference at many law libraries and at the State House Library.

MASSACHUSETTS SALES/USE TAX COLLECTION SCHEDULE

5% Sales Tax

Including Prepared Food and All Beverages

Amount of Sale	Tax	Amount of Sale	Tax	Amount of Sale	Tax	Amount of Sale	Tax
\$.10 – \$.29	\$.01	\$8.10 – \$8.29	\$.41	\$16.10 – \$16.29	\$.81	\$24.10 – \$24.29	\$ 1.21
.30 – .49	.02	8.30 – 8.49	.42	16.30 – 16.49	.82	24.30 – 24.49	1.22
.50 – .69	.03	8.50 – 8.69	.43	16.50 – 16.69	.83	24.50 – 24.69	1.23
.70 – .89	.04	8.70 – 8.89	.44	16.70 – 16.89	.84	24.70 – 24.89	1.24
.90 – 1.09	.05	8.90 – 9.09	.45	16.90 – 17.09	.85	24.90 – 25.09	1.25
1.10 – 1.29	.06	9.10 – 9.29	.46	17.10 – 17.29	.86	25.10 – 25.29	1.26
1.30 – 1.49	.07	9.30 – 9.49	.47	17.30 – 17.49	.87	25.30 – 25.49	1.27
1.50 – 1.69	.08	9.50 – 9.69	.48	17.50 – 17.69	.88	25.50 – 25.69	1.28
1.70 – 1.89	.09	9.70 – 9.89	.49	17.70 – 17.89	.89	25.70 – 25.89	1.29
1.90 – 2.09	.10	9.90 – 10.09	.50	17.90 – 18.09	.90	25.90 – 26.09	1.30
2.10 – 2.29	.11	10.10 – 10.29	.51	18.10 – 18.29	.91	26.10 – 26.29	1.31
2.30 – 2.49	.12	10.30 – 10.49	.52	18.30 – 18.49	.92	26.30 – 26.49	1.32
2.50 – 2.69	.13	10.50 – 10.69	.53	18.50 – 18.69	.93	26.50 – 26.69	1.33
2.70 – 2.89	.14	10.70 – 10.89	.54	18.70 – 18.89	.94	26.70 – 26.89	1.34
2.90 – 3.09	.15	10.90 – 11.09	.55	18.90 – 19.09	.95	26.90 – 27.09	1.35
3.10 – 3.29	.16	11.10 – 11.29	.56	19.10 – 19.29	.96	27.10 – 27.29	1.36
3.30 – 3.49	.17	11.30 – 11.49	.57	19.30 – 19.49	.97	27.30 – 27.49	1.37
3.50 – 3.69	.18	11.50 – 11.69	.58	19.50 – 19.69	.98	27.50 – 27.69	1.38
3.70 – 3.89	.19	11.70 – 11.89	.59	19.70 – 19.89	.99	27.70 – 27.89	1.39
3.90 – 4.09	.20	11.90 – 12.09	.60	19.90 – 20.09	1.00	27.90 – 28.09	1.40
4.10 – 4.29	.21	12.10 – 12.29	.61	20.10 – 20.29	1.01	28.10 – 28.29	1.41
4.30 – 4.49	.22	12.30 – 12.49	.62	20.30 – 20.49	1.02	28.30 – 28.49	1.42
4.50 – 4.69	.23	12.50 – 12.69	.63	20.50 – 20.69	1.03	28.50 – 28.69	1.43
4.70 – 4.89	.24	12.70 – 12.89	.64	20.70 – 20.89	1.04	28.70 – 28.89	1.44
4.90 – 5.09	.25	12.90 – 13.09	.65	20.90 – 21.09	1.05	28.90 – 29.09	1.45
5.10 – 5.29	.26	13.10 – 13.29	.66	21.10 – 21.29	1.06	29.10 – 29.29	1.46
5.30 – 5.49	.27	13.30 – 13.49	.67	21.30 – 21.49	1.07	29.30 – 29.49	1.47
5.50 – 5.69	.28	13.50 – 13.69	.68	21.50 – 21.69	1.08	29.50 – 29.69	1.48
5.70 – 5.89	.29	13.70 – 13.89	.69	21.70 – 21.89	1.09	29.70 – 29.89	1.49
5.90 – 6.09	.30	13.90 – 14.09	.70	21.90 – 22.09	1.10	29.90 – 30.09	1.50
6.10 – 6.29	.31	14.10 – 14.29	.71	22.10 – 22.29	1.11	30.10 – 30.29	1.51
6.30 – 6.49	.32	14.30 – 14.49	.72	22.30 – 22.49	1.12	30.30 – 30.49	1.52
6.50 – 6.69	.33	14.50 – 14.69	.73	22.50 – 22.69	1.13	30.50 – 30.69	1.53
6.70 – 6.89	.34	14.70 – 14.89	.74	22.70 – 22.89	1.14	30.70 – 30.89	1.54
6.90 – 7.09	.35	14.90 – 15.09	.75	22.90 – 23.09	1.15	30.90 – 31.09	1.55
7.10 – 7.29	.36	15.10 – 15.29	.76	23.10 – 23.29	1.16	31.10 – 31.29	1.56
7.30 – 7.49	.37	15.30 – 15.49	.77	23.30 – 23.49	1.17	31.30 – 31.49	1.57
7.50 – 7.69	.38	15.50 – 15.69	.78	23.50 – 23.69	1.18	31.50 – 31.69	1.58
7.70 – 7.89	.39	15.70 – 15.89	.79	23.70 – 23.89	1.19	31.70 – 31.89	1.59
7.90 – 8.09	.40	15.90 – 16.09	.80	23.90 – 24.09	1.20	31.90 – 32.09	1.60

To calculate the sales tax on any amount over \$32.09, multiply the purchase price by .05 and round off to the nearest cent.

THE TAX MUST BE COMPUTED ON THE TOTAL SALE (WITH THE EXCEPTION OF INDIVIDUAL CLOTHING ITEMS OVER \$175) AND NOT ON PRICES OF INDIVIDUAL ITEMS INCLUDED IN THE SALE.

Department of Revenue

*Toll-free in Massachusetts: 1-800-392-6089
Online: www.mass.gov/dor*